DOCUMENT RESUME

ED 466 937 CE 083 523

AUTHOR	Hecker, JayEtta Z.
TITLE	Welfare Reform: DOT Has Made Progress in Implementing the Job Access Program but Has Not Evaluated the Impact. Testimony before the Committee on Transportation and Infrastructure, Subcommittee on Highways and Transit, U.S. House of Representatives.
INSTITUTION	General Accounting Office, Washington, DC.
REPORT NO	GAO-02-640T
PUB DATE	2002-04-17
NOTE	14p.
AVAILABLE FROM	U.S. General Accounting Office, P.O. Box 6015, Gaithersburg, MD 20884-6015 (first copy free; additional copies $2 each; 100 or more: 25% discount). For full text: http://www.gao.gov/new.items/d02640t.pdf.
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	EDRS Price MF01/PC01 Plus Postage.
DESCRIPTORS	Adult Education; Compliance (Legal); Economically Disadvantaged; Employment Opportunities; Federal Legislation; *Grants; Program Costs; Program Evaluation; Program Implementation; Program Proposals; *Transportation; *Welfare Recipients; Welfare Reform; *Welfare Services
IDENTIFIERS	*Job Access and Reverse Commute Program; Transportation Equity Act for the 21st Century

ABSTRACT

A series of reviews of the Department of Transportation's (DOT's) Job Access and Reverse Commute (Job Access) Program explored DOT's and grantees' challenges in implementing the Job Access program and the status of DOT's program evaluation efforts. DOT and grantees faced significant challenges in implementing the Job Access program. DOT's process for selecting Job Access grantees was not consistent and the basis for some selections was unclear. Grantees reported problems in meeting standard grant requirements necessary to obtain Job Access funding. The Transportation Equity Act for the 21st Century required DOT to evaluate the Job Access program and issue a report to the congressional authorizing committees by June 2000. However, according to a DOT official, DOT had no estimated date for issuing the report. (YLB)

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ED 466 937

United States General Accounting Office

GAO

Testimony

Before the Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit
U.S. House of Representatives

Not to be Released
Before 10:00 a.m. EDT
Wednesday
April 17, 2002

WELFARE REFORM

DOT Has Made Progress in Implementing the Job Access Program but Has Not Evaluated the Impact

Statement of JayEtta Z. Hecker
Director, Physical Infrastructure Issues

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Mr. Chairman and members of the subcommittee:

We appreciate the opportunity to testify on the results of our work on the Department of Transportation's (DOT) Job Access and Reverse Commute (Job Access) Program. This program, designed to support the nation's welfare reform goals, has presented implementation challenges for the Federal Transit Administration (FTA) within DOT, which primarily administers programs focused on investments in transit infrastructure. Over the last several years, we have made a number of recommendations to improve the implementation of this program. We expect to issue another report in December 2002 examining the overall role and performance of the program in increasing the mobility of low-income individuals seeking employment. We are here today to discuss (1) DOT's and grantees' challenges in implementing the Job Access program and (2) the status of DOT's program evaluation efforts.

Based on a series of our reviews of the Job Access program[1] that are mandated by the Transportation Equity Act for the 21st Century (TEA-21) and some preliminary results from our ongoing work, we are offering the following observations on the implementation and evaluation of the program.

- DOT and grantees have faced challenges in implementing the Job Access program. Specifically,

  –In November 1999, we found that DOT's process for selecting Job Access grantees was not consistent and the basis for some selections

[1] See app. I for a listing of GAO reports on the Job Access program and other transit programs.

was unclear.[2] In response to these findings, DOT took steps to improve its process for selecting Job Access grantees by developing a standard format for reviewing proposals and providing more detailed guidance to its reviewers.[3] In addition, in December 2001, we reported that for fiscal years 2000 and 2001, DOT allocated about 75 percent of the funding made available for the Job Access program under a noncompetitive process, in response to designations contained in the conference reports accompanying its appropriations acts for those years. This practice was not consistent with TEA-21.[4] In response to our recommendations, DOT recently issued a solicitation of grant proposals for fiscal years 2002 and 2003, which states that applicants for projects in "congressionally-designated areas" will be evaluated, scored, ranked, and funded along with all other applicants.

Grantees also reported problems in meeting standard grant requirements necessary to obtain Job Access funding. About half of the respondents to our survey of applicants selected for funding in fiscal year 1999 said it took too long to satisfy standard FTA grant requirements—on average, about 9 months from the time DOT announced that an applicant had been selected for a grant until the time the applicant had satisfied these grant requirements and could

[2] *Welfare Reform: Implementing DOT's Access to Jobs Program in Its First Year* (GAO/RCED-00-14, Nov. 26, 1999).

[3] *Welfare Reform: DOT Is Making Progress in Implementing the Job Access Program* (GAO-01-133, Dec. 4, 2000).

[4] *Welfare Reform: Competitive Grant Selection Requirement for DOT's Job Access Program Was Not Followed* (GAO-02-218, Dec. 7, 2001).

receive its grant.[5] Over one-third of the respondents said they had experienced problems in obtaining matching funds because of the time needed to satisfy these requirements.

- TEA-21 required DOT to evaluate the Job Access program and issue a report to the congressional authorizing committees by June 2000; however, according to a DOT official, DOT has no estimated date for issuing the report. We have previously emphasized the need to evaluate the program; specifically, in May 1998 (before the Job Access program was authorized), we reported that DOT lacked specific information for assessing how a Job Access program would improve mobility for low-income workers, and we recommended that DOT establish specific objectives, performance criteria, and measurable goals for a Job Access program.[6] DOT has instituted an evaluation plan and selected an increase in access to employment sites as the only measure of program success. However, preliminary results of our ongoing work indicate that DOT's use of employment sites as the sole measure of program success does not address key aspects of the program nor specifically relate to DOT's criteria for selecting Job Access grantees. In our next report, to be issued in December 2002, we plan to address factors that affect the Job Access program in helping welfare recipients transition to work.

Background

The enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 dramatically altered the nation's system to

[5] For our December 2000 and 2001 reports, we surveyed all of the applicants for the 194 projects selected for the Job Access program in fiscal year 1999 and we received responses from over 80 percent of them each year

[6] *Welfare Reform: Transportation's Role in Moving from Welfare to Work* (GAO/RCED-98-161, May 29, 1998)..

provide assistance to the poor. The act replaced the existing entitlement program for poor families with fixed block grants to the states to provide Temporary Assistance for Needy Families (TANF). TANF provides about $16.5 billion annually for the states to use for families to become self-sufficient, imposes work requirements for adults, and establishes time limits on the receipt of federal assistance. Without adequate transportation, however, welfare recipients face significant barriers in moving from welfare to work. In 1998, the Congress found that three-fourths of welfare recipients live in central cities or rural areas, while two-thirds of new entry-level jobs are located in suburbs. Public transportation facilities, such as buses or subways, often offer limited or no access to many of these jobs. Although the jobs can be reached by car, many welfare recipients do not have cars.

A number of federal programs have been designed to facilitate the transition from welfare to work, including the Job Access program established by TEA-21 and the U.S. Department of Labor's Welfare to Work program. While TEA-21 authorized record levels of funding for a variety of transit programs ($41 billion for the six-year period from fiscal years 1998 through 2003), with the majority of this funding directed to constructing or improving transit infrastructure, TEA-21 authorized up to $750 million for fiscal year 1999 through 2003 for the Job Access program.[7]

Under the Job Access program, DOT provides grants on a competitive basis to local agencies, nonprofit organizations, transit authorities, and others to improve the mobility of welfare recipients and low-income individuals seeking work. In each of fiscal years 1999 and 2000, the

[7]Appendix I identifies GAO's transit-related reports issued since 1998.

Congress provided $75 million for the program. For fiscal years 2001 and 2002, the Congress provided $100 million and $125 million, respectively. Since the program's inception, DOT has selected 368 Job Access projects for grants totaling $247 million. Further, TEA-21 required DOT to evaluate the program and submit a report to congressional authorizing committees by June 2000.

DOT and Grantees Have Faced Challenges in Implementing the Job Access Program

Both DOT and grantees have faced significant challenges in implementing the Job Access program. TEA-21 directed DOT to conduct a national solicitation for grant applicants and to select grantees on a competitive basis using a variety of factors. Among other things, TEA-21 required DOT to consider the percentage of welfare recipients in the population of the area to be served, the need for additional services, and the degree of coordination with existing transportation providers. To evaluate applications for Job Access grants, DOT synthesized the factors contained in the statute into four broad categories: (1) a project's potential effectiveness; (2) an area's need for the services; (3) the degree of local coordination; and (4) the project's sustainability. TEA-21 also required those selected for Job Access grants to meet the requirements applicable to urban area transit formula grantees as well as any other requirements established by DOT.[8]

DOT Implementation Challenges

Since FTA primarily administers programs focusing on transit infrastructure, implementing the Job Access program presented it with unique challenges. In our November 1999 report, we found that DOT's

[8] Under the urbanized area formula grant program, DOT generally makes transit grants to urbanized areas with populations of 50,000 or more.

process for selecting Job Access grant proposals was not consistent and the basis for selections was unclear. [9] In addition, reviewers did not uniformly apply the criteria for ranking and selecting the applications, and DOT officials could not consistently demonstrate how applications' overall rankings were determined from the scores for each individual criterion. The inconsistency in DOT's evaluation and selection approach occurred because the information supplied by applicants varied in detail and quality and the guidance to reviewers on how to review and rank the applications was not specific enough to ensure consistent results.

In response to our findings, during fiscal year 2000, DOT took steps to promote greater consistency and uniformity in the data contained in the proposals. For example, DOT developed a standard format that it suggested prospective grantees use in applying for Job Access grants. DOT also provided guidance to its reviewers that specified in more detail what factors should be emphasized and how points should be assigned under each of the four selection criteria.

In addition, for fiscal years 2000 and 2001, DOT allocated most of the funding made available for the program under a noncompetitive process. In response to language in the conference reports accompanying the Department of Transportation and Related Agencies Appropriations Acts for fiscal years 2000 and 2001 that designated Job Access funds for specific states, localities, and organizations, DOT adopted a two-track process for the selection of Job Access grantees. DOT instituted a noncompetitive process for entities identified in the conference reports, or applicants selected by those entities, setting aside funds for those entities and making selections without comparing their applications to those submitted by

[9]GAO/RCED-00-14, Nov. 26, 1999.

other applicants. DOT implemented its previously established competitive selection process for other applicants. This two-track approach resulted in DOT allocating about 75 percent of the funding made available for the program over these 2 years on a noncompetitive basis.

DOT had designed its competitive selection process to help ensure that the projects selected for funding would best achieve the program's objectives. DOT's two-track process for the selection of Job Access grantees in fiscal years 2000 and 2001 decreased opportunities for DOT to fund projects that could have been identified as "meritorious" through the competitive selection process. Moreover, DOT's noncompetitive allocation of Job Access funds to entities designated in conference reports was not consistent with TEA-21, which requires grantees to be selected on a competitive basis. Since the conference reports provided DOT with no legal basis to deviate from the requirements of TEA-21, DOT's use of a noncompetitive process for the selection of Job Access grantees in fiscal years 2000 and 2001 was not authorized.

In December 2001,[10] we recommended that, in the absence of statutory authority to select Job Access grantees on a noncompetitive basis, the Secretary of Transportation ensure that future grants to entities designated in conference reports be made on a competitive basis as required by TEA-21. While DOT officials disagreed with our finding that the department had awarded grants using a noncompetitive process, the April 2002 solicitation of grant proposals for fiscal years 2002 and 2003 reflects a significant modification to the process, which is now consistent with our recommendation.[11] Specifically, applicants for projects in

[10] GAO-02-218, Dec. 7, 2001.

[11] 67 Fed. Reg. 16790 (2002).

"congressionally-designated areas" will be evaluated, scored, and ranked along with all other applicants. Available funds will be allocated among all projects, including those in "congressionally-designated areas," based upon their ranking in the competitive evaluation process and other factors set forth in the notice. The other factors include the time frame in which the projects can be implemented, geographic distribution of project funds, and "congressional designation" of projects for funding.

Grantees Have Expressed Concern About the Award Process but Were Satisfied With Some Program Achievements

Grantees have reported problems in meeting standard FTA grant requirements necessary to obtain funding. To determine the views of Job Access grantees, we surveyed all of the applicants for the 194 projects selected for the Job Access program in fiscal year 1999. A majority of the respondents indicated that it took too long to meet the standard grant requirements—an average of about 9 months on average from the time DOT announced that an applicant had been selected for a grant until the time the applicant had satisfied these grant requirements and could receive its grant. Also, over one-third of them stated that, because of the time it took to satisfy these requirements, they had experienced problems in obtaining matching funds. Furthermore, seven projects were withdrawn for varied reasons. For example, one grantee reported withdrawing from the program after losing its matching funds. Officials for another respondent said they withdrew because the relatively small grant amount did not justify the effort needed to satisfy the standard FTA grant requirements. Despite these concerns, the majority of respondents decided to apply for grants the following year.

The respondents were generally satisfied that the program was achieving one of its main goals of transporting welfare recipients to work. A number of them indicated that the program created new transportation services where none were previously available or expanded existing services. For example, officials from one county noted the program allowed them to establish transit routes that were not previously covered by any public transportation. Another respondent expanded transportation to employees on the second and third work shifts. Respondents also noted that the Job Access program improved coordination among different organizations involved in getting people to work—another program objective.

DOT Has Not Evaluated the Job Access Program

TEA-21 required that DOT evaluate the program and issue a report to congressional authorizing committees by June 2000. DOT has yet to complete the required evaluation. However, according to a DOT official, the department is updating data that would enable it to complete the study. At this time, DOT has no estimated date for issuing the report.

We have previously reported on and emphasized the need for evaluating the effectiveness of the Job Access program. In May 1998, before the program was authorized, we reported that DOT lacked specific information for assessing how a Job Access program would improve mobility for low-income workers and contribute to national welfare reform objectives. We recommended that DOT establish specific objectives, performance criteria, and measurable goals if such a program were authorized.[12] As we reported in December 2000, DOT has developed specific objectives, performance criteria, and measurable goals, which are

[12] GAO/RCED-98-161, May 29, 1998.

reflected in part in its fiscal year 2000 and fiscal year 2001 performance plans, prepared under the Government Performance and Results Act of 1993. [13] These plans establish the specific goal of increasing the number of new employment sites that are made accessible by the Job Access program by 4,050 in fiscal year 2000 and 8,050 in fiscal year 2001.

Preliminary results of our ongoing work—which includes monitoring DOT's efforts to evaluate the Job Access program—indicate that DOT's use of employment sites that are accessible as the only measure for determining program success does not fully address all key aspects of the program, including all four of DOT's criteria used for selecting Job Access grantees. Other meaningful measures of the success of the program or an individual project are implicit in the criteria that DOT applies in selecting projects for Job Access grants, including the program's overall, potential effectiveness, an area's need for the services, the degree of local coordination, and a project's sustainability after the end of Job Access funding. For purposes of managing the Job Access program and for allocating dollars to the most effective projects, program managers need to know more than just how many employment sites are being made accessible. Knowing how many relevant jobs are available at each site and how many project beneficiaries were transported to each employment site would also be useful program management measures. According to a study that DOT sponsored, there are several different ways of measuring the success of a Job Access project, such as the number of bus passes issued, passengers per revenue-hour, or average travel time for work trips.

In our next report, to be issued in December 2002, we plan to address the general effectiveness of the Job Access program in facilitating welfare

[13] GAO-01-133, Dec. 4, 2000.

recipients' transition to the workplace. Our work is identifying criteria that would be appropriate for use in evaluating the Job Access program. We are also examining how the Job Access program relates to other federal, state, and local programs in enabling welfare recipients to reach the workplace. This includes examining the extent to which the program's projects have been integrated into existing transportation systems, and how some state and local governments that have not received Job Access funds have addressed the transportation problems of low-income individuals. In examining the Job Access program's effectiveness, we are reviewing the strategy DOT has adopted to select and fund Job Access projects, and how the department can leverage its Job Access funds to more effectively help low-income people get to work

Mr. Chairman, this concludes my prepared remarks. I would be pleased to answer any questions you or other members of the subcommittee may have.

Contact and Acknowledgements

For questions regarding this testimony please contact JayEtta Z. Hecker on (202) 512-2834 or at heckerj@gao.gov. Individuals making key contributions to this testimony included Helen Desaulniers, Susan Fleming, Ernie Hazera, Ron Stouffer, and Frank Taliaferro.

Appendix I: GAO Transit-Related Reports

GAO Reports on the Job Access and Reverse Commute Program:

Welfare Reform: Transportation's Role in Moving from Welfare to Work (GAO/RCED-98-161, May 29, 1998).

Welfare Reform: Implementing DOT's Access to Jobs Program in Its First Year (GAO/RCED-00-14, Nov. 26, 1999).

Welfare Reform: DOT Is Making Progress in Implementing the Job Access Program (GAO-01-133, Dec. 4, 2000).

Welfare Reform: GAO's Recent and Ongoing Work on DOT's Access to Jobs Program (GAO-01-996R, Aug. 17, 2001).

Welfare Reform: Competitive Grant Selection Requirement for DOT's Job Access Program Was Not Followed (GAO-02-218, Dec. 7, 2001).

GAO Reports on New Starts:

Mass Transit: FTA's Progress in Developing and Implementing a New Starts Evaluation Process (GAO/RCED-99-113, Apr. 26, 1999).

Mass Transit: Implementation of FTA's New Starts Evaluation Process and FY 2001 Funding Proposals (GAO/RCED-00-149, Apr. 28, 2000).

Mass Transit: FTA Could Relieve New Starts Funding Constraints (GAO-01-987, Aug. 15, 2001).

Other GAO Transit-Related Reports:

Transit Grants: Need for Improved Predictability, Data, and Monitoring in Application Processing (GAO/RCED-00-260, Aug. 30, 2000).

Mass Transit: Many Management Successes at WMATA, but Capital Planning Could Be Enhanced (GAO-01-744, July 3, 2001).

Transit Labor Arrangements: Most Transit Agencies Report Impacts Are Minimal (GAO-02-78, Nov. 19, 2001).

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